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June 18, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

VIA COURIER

Magalie Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: Reply Comments of BroadSpan Communications, Inc. also d/b/a Primary Network Communications on CC Docket No. 99-142.

Dear Secretary Salas:

On behalf of BroadSpan Communications, Inc. also d/b/a Primary Network Communications ("BroadSpan"), please find enclosed for filing an original and seven (7) copies of the Reply Comments of BroadSpan in the above-referenced Docket.

Please date-stamp the enclosed extra copy of this filing and return it with our courier. If you have any questions concerning this filing, please do not hesitate to contact Kevin Minsky at (202) 945-6920.

Very truly yours,

Kevin Minsky

William B. Wilhelm, Jr.
Kevin D. Minsky

Counsel for BroadSpan Communications, Inc.
also d/b/a Primary Network Communications

Enclosures

cc: Janice Myles (CCB)
ITS
Cully Dale

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

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In the Matter of the Establishment of Rules to Prohibit the Imposition of Unjust, Onerous Termination Penalties on Customers Choosing to Partake of the Benefits of Local Exchange Telecommunications Competition	)	CC Docket No. 99-142

REPLY COMMENTS OF PRIMARY NETWORK COMMUNICATIONS

I. Introduction

These comments are submitted on behalf of BroadSpan Communications, Inc. dba Primary Network Communications ("Primary"). The purpose of these comments is to encourage the Federal Communications Commission to grant the KMC Telecom Inc. Petition for Declaratory Ruling.

Primary has found that termination penalties operate as a barrier to Primary's entry into the local exchange telecommunications market. Furthermore, termination penalties presently permitted by state tariffs are not related to cost recovery and afford an advantage to incumbents that is not available to competitors.

II. Termination Penalties do Present a "Barrier to Entry" into Local Telecommunications Markets.

Several commenters have noted that there is insufficient information in the record for the Commission to conclude that termination penalties actually present a barrier to entry to CLECs; Primary's experience is that termination penalties present an almost insurmountable barrier to the attraction of many business accounts. Primary has been in the local telecommunications business for approximately seven months, almost exclusively in the St.

Louis metropolitan area. As such, Primary's experience and comments are limited to the termination penalties tariffed and assessed by Southwestern Bell Telephone Company ("SWBT").

In the short time Primary has been in business, its sales force can recount more than 90 instances of business customers who were unwilling to consider a change from Southwestern Bell service to Primary service due to substantial termination penalties. The total business generated by those customers totals more than $200,000 each month; to "buy out" seven large customers would cost Primary over $2,500,000. For a new entrant, such a huge capital expenditure, that does nothing to improve the company's network or benefit its customer base cannot be justified.

III. Termination Penalties Presently in Effect Do Not Bear a Relation to Unrecovered Costs and Are Not Competitively Neutral.

Section 253 of the Telecommunications Act of 1996 does provide that nothing in that section shall affect the ability of a State to impose requirements that preserve universal service or that ensure the continued quality of telecommunications services. In some instances, such as when a company must make a significant investment in plant to serve a given customer, a termination penalty can be justified. It easily can be argued in such a scenario that if the customer terminates that service before all of the associated costs are recovered (if they do not constitute a plant upgrade that will benefit and can be recovered from subsequent customers) then either those costs will be "eaten" by the telephone company, which could result in eventual degradation of telecommunications service quality or those costs will be spread over the remaining body of ratepayers, which could threaten universal service. The termination penalties in question are not those intended to recover such special costs, nor are they intended to recover savings the company intended to pass to the customer (such as volume discounts) that were not realized. They appear to have no other purpose than to so severely penalize the customer for changing carriers, that the customer will not change carriers until the term is over.

Attached to these comments as Attachment A are several pages from Southwestern Bell's Missouri Tariffs that show the termination penalty calculations for various services. The most common type of termination penalty is the requirement that the customer simply pay all of the remaining charges that would have accrued had the customer continued to receive service. If customer A was paying Southwestern Bell $1000 a month for its service and had 24 months remaining in its contract, then the termination penalty would be $24,000 even if the customer was changing to a CLEC that resold the Southwestern Bell service. This would allow, for the remainder of the contract, Southwestern Bell to receive more than $1800 a month for the service (over $1000 per month received in the $24,000 lump sum payment (considering interest accruing on the lump sum) plus the more than $800 the CLEC pays monthly to Southwestern Bell for the service it resells. This resulting double-recovery is outrageous, and only available to incumbents. It is neither economically justified nor competitively neutral.

Primary is concerned that a simple "fresh look" approach, although certainly a step in the right direction, will not be sufficient to address the inequities inherent in allowing incumbents to recover termination penalties for a period in which the incumbent also receives compensation for the resale of the terminated service. As several ILEC commenters have noted, termination penalties are proper when they ensure the recovery of costs incurred on behalf of a certain customer and serve to protect customers from discriminatory pricing. As noted above, there are legitimate uses for and legitimate ways to construct termination penalties. Therefore, in addition to a "fresh look" period, the Commission should take this opportunity to look at the substance of termination penalties, prohibit the types of termination penalties that serve only to tie customers to particular carriers, and establish safeguards against the double-recovery discussed above.

Although Primary believes that Attachment A of these comments points with specificity to tariffed termination penalties that should be scrutinized, Primary does not agree with commenters who suggest that the Commission is required to invalidate termination penalties on a tariff-provision-by-tariff-provision basis. Section 253 does not impose such a requirement, and nothing in that section abrogates the Commission's rulemaking authority to establish the parameters within which termination penalties may be imposed.

IV. Conclusion

For the reasons set forth above, Primary Network Communications respectfully requests the Commission to grant KMC Telecom, Inc.'s Petition for Declaratory Ruling that ILEC termination penalties as presently imposed under State-approved tariffs present a barrier to entry and are prohibited by §253 of the Telecommunications Act of 1996.

Primary thanks the Commission for the opportunity to comment in this matter.

Respectfully submitted,

Colleen M. Dale
Senior Counsel
Primary Network Communications
11756 Borman Dr., Suite 101
St. Louis, Missouri 63146

ATTACHMENT A

DIGITAL LOOP SERVICE-(CONTINUED)

38.2 Rates and Charges-(Continued)

38.2.2 Application of Rates and Charges-(Continued)

E. -(Continued)

2. If the customer disconnects the Digital Transmission Loop Arrangement prior to the expiration of the 12, 24, 36, 48, or 60 month service term, the customer shall pay a termination charge equal to the monthly payments remaining on the service term for each Digital Transmission Loop Arrangement disconnected. This charge will be waived if the customer converts the arrangement to Smart Trunk Service (pursuant to Section 2 of the Integrated Services Tariff) for a service term that equals or exceeds the number of months remaining on the customer's Digital Loop Service agreement. This charge will also be waived for Digital Loop Service customers who move their service to another Southwestern Bell served location within Missouri if the service agreement terms are continued at the new
(AT) location. In such cases, Installation Charges and Service and Equipment Charges are applicable. The Line Termination and Line Termination Activated charges will be waived if a Digital Loop customer upgrades to SuperTrunk. If a SuperTrunk customer disconnects the Digital Transmission Loop Arrangement prior to the expiration of the 12, 24, 36, 48 or 60 month contract, the customer shall pay a termination charge equal to the monthly payments remaining on the service term for each Digital Transmission Loop Arrangement disconnected. The Digital Transmission Loop Arrangement termination charge will not apply if a Digital Loop customer purchases a term agreement equal to or greater than the
(AT) months remaining on their current contract when they upgrade to SuperTrunk.

3. If additional Digital Transmission Loop Arrangements are ordered at a location where the customer has an existing Digital Loop Service term pricing agreement, the additional service(s) may be added to that agreement, so that the monthly rate and expiration date specified in the original agreement apply. As an alternative, the customer may choose the month-to-month payment option or a different term option for the service additions. Note that additions to an agreement are subject to the provisions described in Paragraph 38.2.2.E.2.

4. Upon the expiration of the service term, the customer may:

   a. Continue service without establishing a new service term. Service will be provided on a month-to-month basis at the then current rate. This monthly rate will be subject to any rate changes approved by the Commission.

   b. Continue service by selecting a new service term of 12, 24, 36, 48, or 60 months. The new service term will commence on the day following the expiration of the previous service term at the then current rate.

   c. Discontinue the service.

5. If a service term agreement expires and the customer has not notified the Company regarding which option he elects, service will continue at the monthly rate in effect at that time for the month-to-month option.

No supplement to this tariff will be issued except for the purpose of canceling this tariff.

DIGITAL LOOP SERVICE-(CONTINUED)

38.3 SuperTrunk - (Continued)

38.3.3 Application of Rates

A. The customer shall select either a Month-to-Month or a service term (12, 24, 36, 48 or 60 consecutive months) for each SuperTrunk Port.

B. If the customer selects a service term (other than month-to-month), the customer will be required to sign an agreement. The Service Term cannot be changed for the duration of this agreement. The monthly rate will not be subject to rate increases for the duration of the Service Term. If tariff changes are approved lowering the Service Term Rates, the Company will apply the new lowered rates prospectively to all unexpired service term agreements.

C. If the customer disconnects the Service elements prior to the expiration of the 12, 24, 36, 48 or 60 month service term, the customer shall pay a termination charge equal to the monthly payments remaining on the service term for each SuperTrunk Port and Switch Use element disconnected. This charge will be waived if the customer converts the arrangement to SmartTrunk Service (pursuant to Section 5 of the Integrated Service Tariff) for a service term that equals or exceeds the number of months remaining on the customer's SuperTrunk agreement. This charge will also be waived for SuperTrunk customers who move their service to another Southwestern Bell Telephone served location within Missouri if the service terms are continued at the new location. In such cases, Installation Charges and Service and Equipment Charges are applicable.

D. If additional SuperTrunk Ports are ordered at a location where the customer has an existing SuperTrunk Port term pricing agreement, the additional service(s) may be added to that agreement, so that the monthly rate and expiration date specified in the original agreement apply. As an alternative, the customer may choose the month-to-month payment option or a different term option for the service additions. Note that additions to an agreement are subject to the provisions described in paragraph 38.3.2.2.

2.12 Rate and Charge Applications-(Continued)

2.12.3 When requested by the customer prior to installation, installation and/or special construction charges may be deferred and satisfied by making a series of consecutive payments. The installation and/or special construction charge may be deferred over a period of 12, 24, 36, 48 or 60 months, not to exceed the service term selected. Once a deferred charge payment period is selected, it will remain in effect for the duration of the period.

To compute the value of the monthly deferred charge payment, the Installation and/or special construction charge is multiplied by an annuity factor for the appropriate term. A charge equal to the remaining payments will be due immediately should the service be terminated early.

A table of annuity factors is listed in Section 17.6.5 (Rules and Regulations Applying to All Customers' Contracts, Payments for Service) of the General Exchange Tariff.

2.12.4 In the event the SmartTrunk service is disconnected after the service is established, but prior to expiration of the service term, and the installation and/or special construction charges were deferred at the time service was established, the customer will be required to pay a charge equaling the sum of deferred payments remaining on the service term.

2.12.5 In the event that the SmartTrunk Interface is disconnected after the service is established, but prior to expiration of the service term, the customer will be required to pay a charge equaling the sum of monthly payments remaining on the service term for each SmartTrunk Interface
(AT) disconnected. When a customer with an existing contract converts to another SWBT digital service under a contract term which is equal to or greater than the number of months remaining on the SmartTrunk Service contract being terminated, the charges specified, above in this paragraph shall be modified as follows: If the customer converts within the first 12 months of the contract, the charge is multiplied by
(AT) 0.20 (20%). If the customer converts after 12 months, there is no charge.

2.12.6 If the customer cancels an order for service after installation of the required equipment and facilities, but before service is established, the customer agrees to pay a charge equaling the sum of monthly payments remaining on the service term as if the service had actually been established. The customer may not avoid this provision by simply extending their acceptance of the service date.

2.12.7 If the customer cancels an order for service before installation of the required equipment and facilities is completed, the customer agrees to pay all expenses incurred in connection with the handling of the request before notice of cancellation is received by Southwestern Bell. This charge, however, shall not exceed all charges which would have been applicable if the service had been installed.

(AT) DIGILINE® SERVICE

(MT) 3.7 Service Terms

3.7.1 Minimum Service Term: All DigiLine Service components have a minimum service term of one month.

3.7.2 Basic Rate Interface Installation Charge Service Term Agreements: Term pricing options are available for the Installation Charge associated with the Basic Rate Interface. These options are in addition to the typical month-to-month payment option for the Basic Rate Interface. If a customer commits to retain this service component at one location for a specific term, the customer will not be charged the full Installation Charge for the Basic Rate Interface. Options include a 12 or 24 month term. If a customer chooses a service term and then disconnects the Basic Rate Interface prior to the expiration of that term, a charge will be due. This termination charge is equal to the difference between the normal month-to-month Installation Charge in effect at the time the service was installed and the actual amount paid for the installation. (MT)

(AT) 3.7.3 If a customer chooses to disconnect DigiLine Service in order to convert to another Telephone company Basic Rate Interface service, the Telephone Company will waive the termination charge associated with the term agreement if (1) the customer enters into a new service term agreement for a quantity of BRIs equal to or greater than the existing agreement; and (2) the new term period is greater than or equal to the number of months remaining on the DigiLine agreement. (AT)

(FC) 3.8 Moves

(FC) 3.8.1 A Move Charge, as specified in this tariff, will apply when a customer moves his DigiLine Service from one location to another within SWBT's jurisdiction in Missouri, except as described in the following paragraphs. If the customer is moving the service prior to the expiration of an Installation Charge service term agreement, the move will not be considered a disconnect for the purpose of calculating a termination charge if: (1) the service at the new location is ordered at the same time the customer requests the disconnect at the current location, and (2) the customer agrees to complete the unexpired term at the new location.

(FC) 3.8.2 If there are no existing Basic Rate Interface Installation Charge service term agreements associated with the service, the customer may choose a 12 or 24 month service term agreement at the new location and the Move Charge will not apply. The customer will be charged the installation charge associated with the 12 or 24 month service term agreement in lieu of the Move Charge.

(FC) 3.8.3 If the customer requests a move prior to the expiration of a Basic Rate Interface Installation Charge service term agreement and the customer elects to move the same quantity of Basic Rate Interfaces to another location in Missouri served by SWBT, the customer may

FRAME RELAY DIGITAL SERVICE

9.9 TERM PRICING PLAN-(Continued)

9.9.7 Moves to New Location-(Continued)

B. In the event an order to move service provided under FRS-TPP does not meet one or more of the conditions above, it will be treated as a discontinuance of the existing service and the establishment of a new service. All termination charges will apply.

C. Except as noted above, the monthly rates for the new service will be those in effect at the time the service is changed. All nonrecurring charges associated with the establishment of the new service will apply.

9.10 TERM PRICING PLAN - RATE APPLICATIONS

9.10.1 Nonrecurring Charges

A. The nonrecurring charges as described in 9.7.4 and 9.7.5 will apply for new services ordered under FRS-TPP.

B. If the customer chooses to convert existing Frame Relay Service provided on a monthly rate basis to a FRS-TPP, no nonrecurring charges will apply.

C. If the customer chooses to convert an existing service provided on a FRS-TPP to a monthly rate basis or another FRS-TPP, no nonrecurring charges will apply. However, FRS-TPP termination charges may also apply.

9.10.2 Termination Charges

A. Customers requesting to discontinue services provided under a FRS-TPP, prior to the expiration of the Initial Service Period, will incur termination charges as follows:

FRS-TPP Initial Service Period	Termination Percentage
3 Years	50%
5 Years	50%

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FRAME RELAY DIGITAL SERVICE

9.10 TERM PRICING PLAN - RATE APPLICATIONS-(Continued)

9.10.2 Termination Charges-(Continued)

B. The termination charge for an Initial Service Period will be calculated as follows:

(Billed monthly rate x Months remaining in service period) x Termination percentage

Example: A customer with a $1,000 FRS-TPP monthly rate terminates service with 5 months remaining in a 3-year service period. The termination charge would be calculated as follows:

($1,000 x 5) x .50 = $2,500

In the event service is discontinued prior to the expiration of an Extended Service Period, termination charges will apply.

C. The termination charge for an Extended Service Period will be calculated as follows:

Number of months used of Extended Service Period x (Current Monthly Rate - FRS-TPP Monthly Rate)

Example: A customer with a $1,000 FRS-TPP monthly rate extends the FRS-TPP for an additional 12 months, then terminates service at the end of the 4th month of the Extended Service Period. The current monthly tariffed rate is $1,200. The termination charge will be calculated as follows:

4 x ($1,200 - $1,000) = $800

D. No Termination Charges will apply after the Initial Service Period or Extended Service Period has elapsed.

E. If Special Construction was applied to the service being terminated, any Termination Charges associated with the Special Construction will also apply.

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ACCESS SERVICES

19. NETWORK MANAGEMENT SERVICES-(Continued)

19.2 Transport Resource Management (TRM) Service-(Continued)

19.2.4 Rate Regulations-(Continued)

D. Termination of Service

Customers requesting the termination of a Service Arrangement prior to the expiration of the 1 year, 3 year or 5 year fixed service period agreement will be charged as indicated below:

Number of Years in Arrangement	Termination Percentage
1, 3 or 5 years	60%

The termination charge will be calculated as follows:

Service Arrangement billed monthly rate	X	Months remaining in Arrangement	X	Termination Percentage.

Example: A customer with a 3 year Service Arrangement decides to terminate service after 12 months. The Service Arrangement billed monthly rate is $1,800.00. The termination charge applied will be as follows:

$1,800.00 X 24 X .60 = $25,920.00.

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(AT) BUSINESS VIDEO SERVICE(1)

11.1 DESCRIPTION AND APPLICATION OF SERVICE-(Continued)

11.1.3 Provision of Service-(Continued)

A. (Continued)

2. The customer may elect to renew the service on a monthly basis at the tariff regulations, rates and charges in effect at the time of renewal. Termination charges do not apply.

3. The customer may elect to disconnect the service upon expiration of the existing minimum service period.

B. In the event service is terminated prior to the expiration of the minimum 3-year service period, termination charges, as specified below, will apply.

Service Period	Termination Percentage
3 years (36 months)	60%

The termination charge is calculated as follows:

Monthly rates x Months remaining in service period x Termination percentage

Example: A customer with a \$2,000 monthly rate terminates service with 5 months remaining in a 3-year service period. The termination charge would be calculated as follows:

\$2,000 x 5 x .60 = \$6,000

The termination charge would be \$6,000.

In the event service is terminated after a 3-year minimum service period has elapsed and the customer has elected to continue service on a monthly basis, no termination charges apply.

If Special Construction charges were applied for the service being terminated, an associated termination charge, as set forth in Section 14 of the Access Services Tariff, may apply.

(AT) (1) Obsolete-applicable for existing service installations at existing locations for existing customers.

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SELECTVIDEO PLUS

(MT) 13.7 APPLICATION OF RATES AND CHARGES (Continued)

(AT) 13.7.6 The SelectVideo Plus Control Link, Communication Link, and Link Extension rates will not be subject to rate increases for the duration of the 12, 36, or 60 month service term selected by the customer, except, however, the customer may experience a rate increase if the customer chooses to change Payment Options or Usage Packages, pursuant to Paragraphs 13.3.13.2 and 13.3.14.2, preceding. (AT)

13.7.7 Optional Deferred Payment of installation Charges and/or Special Construction Charges is available only for customers selecting the 12, 36, or 60 Month Service Term. (AT)

13.7.7.1 Before Service is established, the customer may request to spread all the installation charges (including the installation charges associated with optional features) and/or Special Construction Charges over a payment period of either 12, 24, 36, 48 or 60 months but not to exceed the 12, 36, or 60 month service term. The customer cannot change the deferred payment term. The deferred monthly charge will equal the installation charges and/or special construction charges multiplied by the appropriate annuity factor as specified in Section 17 of the General Exchange Tariff. (AT) (AT) (CT) (CT) (RT)

(RT) (MT)

13.7.7.2 This optional deferred payment is not offered for customers selecting the Month-to-Month service term.

13.7.8 Disconnection of Service Prior to the Expiration of the Service Term.

13.7.8.1 If the customer disconnects a SelectVideo Plus Control Link or Communication Link prior to the expiration of the 12, 36, or 60 month service term, the customer shall pay a charge equal to the Control Link or Communication Link rate in effect on the date of the contract times the number of months remaining on the 12, 36, or 60 Month Service Term for each Control Link or Communication Link disconnected. Additional charges will not be applied for any Link Extensions disconnected prior to the expiration of the service term. (AT) (AT) (AT) (AT)

13.7.8.2 If the customer disconnects a SelectVideo Plus Control Link or Communication Link prior to the expiration of the 12, 36, or 60 month service term and the installation charges and/or special construction charge were deferred at the time service was established (Pursuant to Paragraph 13.7.7.1 above), the customer shall pay a charge equal to the remaining principal on the deferred payment term for each Control Link or Communication Link disconnected. (AT)

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(MT)

MULTIPOINT VIDEO SERVICE

15.3 REGULATIONS (Continued)

15.3.13.2 The contract term for subscription to a usage package is 12 months. If the customer chooses to discontinue subscription to the usage package prior to the expiration of the 12 month term, the customer shall pay a charge equal to the usage package rate in effect on the date of the contract times the number of months remaining in the term. This provision does not apply when the customer converts to a higher usage package as specified in 15.3.13.3, below.

15.3.13.3 The customer may convert to a higher usage package at any time during the 12 month term. Customers converting to a higher usage package will be required to sign a new contract. Billing under the newly selected package will commence at the beginning of the customer's next billing period at the rates in effect on the billing date and will continue for a new 12 month term.

15.3.13.4 Customers subscribing to usage packages are subject to port availability and the reservation requirements specified in 15.3.3, preceding.

15.3.13.5 In order to ensure that the port minutes of use are attributed to the proper usage package, the customer must provide the billing telephone number/account number with which the usage package is associated each time a conference is reserved. This information must be provided to the SWBT reservation attendant at the time the reservation is made.

15.3.14 Missouri School Discount Program

15.3.14.1 A discount from standard Multipoint Video Service rates is allowed in connection with service furnished through the Missouri School Discount Program, pursuant to the Video Instructional Development and Educational Opportunity Program, as enacted by the Missouri State Legislature. Application of this discount is specified in Paragraph 15.6.12, following.

15.3.14.2 An educational institution is defined as an accredited public or private school in the state of Missouri. Private schools must be accredited by either the Missouri Chapter of the National Federation of non-Public Schools Accrediting Association, Independent Schools Association of The Central States, North Central Association of Colleges and Schools,
(AT) Accrediting Association of Bible Colleges, and/or the University of Missouri - Columbia. Public schools must be accredited by the Department of Elementary and Secondary Education for the State of Missouri and/or the North Central Association of Colleges and Schools.

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AREAWIDE NETWORKING

49.8 OPTIONS AVAILABLE UPON EXPIRATION OF THE SERVICE TERM-(Continued)

49.8.1 Upon expiration of the service term, the customer may:-(Continued)

B. Continue service by selecting a new service term of 12, 36, 48 or 60 months for the AreaWide Networking service at the then current rates. The new service will commence on the day following the expiration of the previous service term. The new rate will not be subject to Telephone Company initiated rate changes for the duration of the service term. The customer will be required to sign a new contract for the service term selected.

C. Discontinue the service.

49.9 RENEWAL OF SERVICE PRIOR TO EXPIRATION OF THE SERVICE TERM

49.9.1 The customer may, at his option, prior to the expiration of the existing service term, terminate the contract without incurring termination charges provided a) the customer signs a new contract at prevailing rates for a term at least 12 months longer than the time remaining in the original contract b) continues with an equivalent service arrangement (i.e., current system size), and c) agrees to pay an amount equal to the present worth of the remaining deferred installation and nonrecurring charges incurred on the original contract. These charges may be deferred over the new contract term by applying current annuity factors, as specified in Paragraph 49.6.3, preceding, for the new term.

49.10 DISCONNECTION OF SERVICE PRIOR TO THE EXPIRATION OF THE SERVICE TERM

49.10.1 Disconnects The Entire Standard Service Option 1 (Dialing Plan Service)

A. In the event the AreaWide Networking customer disconnects the entire Standard Service Option I, the customer will be required to pay a termination charge. This charge will equal the present value of the remaining monthly payments for the Standard Service Option I (Location Code or Extension Number Portability Dialing Plan) charges. The customer will also be required to pay a termination charge based on the present value of the remaining payments for the applicable standard service per station charges. The number of stations subject to the charge will be 65% of the maximum contracted station quantity installed during the duration of the contract.

B. In addition, the present worth of any installation and nonrecurring charges that have been deferred must be paid in full. The customer's contract specifies the discount rate that will be used under this condition.

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General Exchange Tariff
Section 49
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AREAWIDE NETWORKING

49.10 DISCONNECTION OF SERVICE PRIOR TO THE EXPIRATION OF THE SERVICE TERM (Continued)

AUG 31 1995

49.10.2 Partial Disconnect of Stations - Standard Service Option I (Dialing Plan Service)

A. In the event the AreaWide Networking customer falls below 65% of the maximum contracted station quantity over the life of the contract, the customer will be required to pay a termination charge. This charge will be based on the present value of the remaining payments for the standard service per station charges, and will apply to each station which falls below 65% of the maximum contracted station quantity.

49.10.3 Disconnects The Entire Standard Service Option II (Remote Access to Facilities)

A. In the event the AreaWide Networking customer disconnects the entire Standard Service Option II, the customer will be required to pay a termination charge. This charge will equal the present value of the remaining monthly payments for the Standard Service Option II (Facility Group Arrangement) charges. The customer will also be required to pay a termination charge based on the present value of the remaining payments for the applicable standard service per trunk access charge. The number of trunks subject to the charge will be 65% of the maximum contracted trunks with access to the Remote Access to Facilities option, installed during the duration of the contract.

B. In addition, the present worth of any installation and nonrecurring charges that have been deferred must be paid in full. The customer's contract specifies the discount rate that will be used under this condition.

49.10.4 Partial Disconnect of Trunks - Standard Service Option II (Remote Access to Facilities)

In the event the AreaWide Networking customer falls below 65% of the maximum contracted trunks with access to the Remote Access to Facilities option, over the life of the contract, the customer will be required to pay a termination charge. This charge will be based on the present value of the remaining payments for the standard service per trunk charge, and will apply to each trunk which falls below 65% of the maximum contracted quantity.

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OCT 1 1995

MISSOURI
Public Service Commission

Issued: AUG 31 1995 Effective: OCT 01 1995

By HORACE WILKINS, JR., President-Missouri
Southwestern Bell Telephone Company
St. Louis, Missouri

No supplement to this tariff will be issued except for the purpose of canceling this tariff.

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APR 1 1997

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(AT) 49.10 DISCONNECTION OF SERVICE PRIOR TO THE EXPIRATION OF THE SERVICE TERM (Continued)

49.10.5 Disconnects The Entire Standard Service Option III (Access Path Dialing Plan Service)

A. In the event the AreaWide Networking customer disconnects the entire Standard Service Option III, the customer will be required to pay a termination charge. This charge will equal the present value of the remaining monthly payments for the Standard Service Option III (Dialing Plan) charges. The customer will also be required to pay a termination charge based on the present value of the remaining payments for the applicable standard service per station charges. The number of stations subject to the charge will be 65% of the maximum contracted station quantity installed during the duration of the contract.

B. In addition, the present worth of any installation and nonrecurring charges that have been deferred must be paid in full. The customer's contract specifies the discount rate that will be used under this condition.

49.10.6 Partial Disconnect of Originating Access Paths - Standard Service Option III (Access Path Dialing Plan Service)

A. In the event the AreaWide Networking customer falls below 65% of the maximum contracted station quantity over the life of the contract, the customer will be required to pay a termination charge. This charge will be based on the present value of the remaining payments for the standard service per station charges, and will apply to each station which falls below 65% of the maximum contracted station quantity. (AT)

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MAY 10 1997

MISSOURI
Public Service Commission

Issued: APR 01 1997

Effective: MAY 10 1997

By KAREN E. JENNINGS, President-Missouri
Southwestern Bell Telephone Company
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